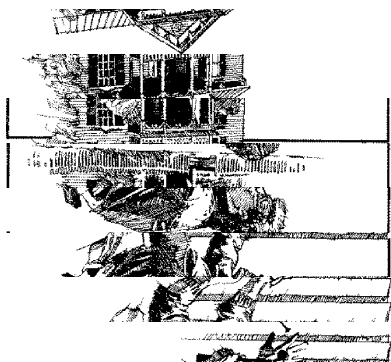


Introduction

As the cost of housing continues to rise, the number of households able to buy or rent decent and affordable housing continues to decline. Due, in part, to an increased awareness that the private sector cannot build affordable housing without some type of government assistance, the County Board of Supervisors has attempted to alleviate this dilemma by providing incentives and alternatives to builders of affordable housing projects.

The County of San Diego offers several incentive programs to developers and builders of affordable housing. Among these incentives are Expedited Permit Processing and Low-Cost Financing Programs

This pamphlet is intended to give a brief description of these various incentive programs as well a references for further information if needed.



Expedited Permit Processing

Expediting Permit Processing For Lower Income Housing Developments (A-68). Under this policy, the County will expedite the processing of permits and other clearances required by the County prior to construction or rehabilitation of a housing development to be occupied in whole or in part by lower income persons.

Low-Cost Financing Programs

Bond Financing. In 1984, the San Diego County Department of Housing and Community Development (HCD) implemented the Tax-Exempt Multifamily Housing Revenue Bond Program. Under the program, the county issues tax-exempt revenue bonds and the proceeds of the bond sales are used to finance the construction and permanent financing for rental housing developments. The Housing and Finance Review Committee, a citizen's advisory committee comprised of professionals from the real estate development, finance, law, and accounting fields was established by the County Board of Supervisors to review and provide recommendations on the applications for the financing. The purpose of the program is to:

- Provide below market financing to encourage the development of rental housing to meet the demand for moderately priced housing in the County.
- Expand the supply of affordable housing by reserving a minimum of 20% of the units in the bond-financed developments at affordable rental rates for lower income residents.

Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) Funds. As an incentive for developers to provide a sufficient level of affordable housing, CDBG funds and HOME are available. These federal funds are made available through a Notice of Funding Availability (NOFA) process administered through the Department of Housing and Community Development. Housing development, or acquisition, or acquisition and rehabilitation proposals are evaluated and rated based on the development's housing affordability, among other important criteria.



Mobilehome Occupant Assistance Program (MOAP). The County also offers a mobilehome ownership program known as the Mobilehome Occupant Assistance Program (MOAP). This program uses Community Development Block Grant (CDBG) Funds to assist low income mobilehome residents in their efforts to acquire the mobilehome parks they occupy. Park ownership can take the form of cooperatives, condominiums, limited equity leases, and mutual benefit corporations. The County works with the neighborhood-based nonprofit corporation representing the residents to make deferred low interest loans to low income residents who desire to participate in the park purchase.

Tax Credits. The Developer also participates in the State's "Tax Credit for Low-Income Rental Housing" program. This is a program to provide tax credits for owners and investors in low-income rental housing. The developer is given two options for setting aside a minimum of amount of units for low-income persons: 20% of the total units set aside for households at or below 50% of the area median income or 40% of the total units set aside for persons at or below 60% of the area median. The rents for the restricted units are not to exceed 30% of the gross income for the qualified low-income household. The minimum compliance period is generally 50 years and the tax credit lasts for 10 years. The possible tax credits available range from 4% to 9%, depending upon the extent of the rehabilitation or construction. Information can be obtained from the State's Tax Credit Allocation Committee at (916) 327-8886.

Current Median Income. Current median incomes as established by the U.S. Department of Housing and Urban Development (HUD) by family size are as follows:

Current Median	
Family Size	Income
1	\$37,600
2	\$42,950
3	\$48,350
4	\$53,700
5	\$58,000
6	\$62,300
7	\$66,600
8	\$70,900

Summary and Contacts

This pamphlet is just a brief summary of the policies and programs the County of San Diego has created as an incentive to developers to provide affordable housing for those living in San Diego County with lower incomes. Governmental agencies, such as the County, realize the need for housing assistance and ultimately establish the policies that stimulate the provision of low-income affordable housing. It is the goal of the Department of Planning and Land Use and the Department of Housing and Community Development that the private sector in conjunction with the public sector can resolve the dilemma of housing shortages for the lower income residents of San Diego County. If there are any questions concerning the above mentioned programs or you would like additional information, please call or write to the Department listed below.

For information of expedited permit processing contact:

**Department of
Planning and Land Use
5201 Ruffin Road, Suite B
San Diego, California 92123
(858) 694-3714**

For information on low-cost financing contact:

**Department of
Housing and Community Development
3989 Ruffin Road
San Diego, California 92123
(858) 694-4885**



CHIEF ADMINISTRATIVE OFFICER
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COMMUNITY DEVELOPMENT**
3989 Ruffin Road
San Diego, CA 92123-1890

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
3989 RUFFIN ROAD, SAN DIEGO, CA 92123-1890
web site: www.sdccd.org

COUNTY OF SAN DIEGO



LOW-COST FINANCING PROGRAMS

**(Development Incentives
For Affordable Housing)**

**Department of Housing
and Community
Development
(858) 694-4885**